

RECIPROCITY AGREEMENT
(the "Agreement")

THIS AGREEMENT IS ENTERED INTO BY AND BETWEEN:

**THE TRUSTEES OF THE BOILERMAKERS' NATIONAL
PENSION FUND (CANADA)
CANADA REVENUE AGENCY NUMBER 0366708
ALBERTA FINANCE AND ENTERPRISE NUMBER 46433**

- and -

**THE TRUSTEES OF THE
BOILERMAKERS PENSION TRUST FUND
CANADA REVENUE AGENCY NUMBER 0542928
BRITISH COLUMBIA REGISTRATION NUMBER P085447-1**

hereinafter the "Trust Funds"

RECITALS:

WHEREAS the respective Trust Funds, which are parties to this Agreement, have been established for the purpose of providing certain pension benefits to employees covered by the terms of collective bargaining agreements, and to administer Contributions for such purposes; and

WHEREAS, for various reasons, employees who are normally employed by employers contributing to a Trust Fund party to this Agreement are sometimes temporarily employed by employers contributing to the other Trust Fund party to this Agreement; and

WHEREAS each of the Trust Fund parties to this Agreement has adopted its own rules for determining eligibility to receive benefits, which rules generally require that an employee has worked a specified number of hours during a stated period and that the corresponding Contributions have been received by the Trust Fund on the employee's behalf; and

WHEREAS some employees may be deprived of benefits solely because their

temporary employment within the jurisdiction of one Trust Fund has prevented their fulfilling the eligibility requirements of either Trust Fund; and

WHEREAS it is the desire of the parties to enable employees to accept temporary employment within the jurisdiction of either party while at the same time receiving and maintaining eligibility credits in their Home Fund, as defined herein; and

WHEREAS it is the expressed intention of all parties that to the extent permitted by law, the principle known as "fringe benefits follow the man" shall apply to the Agreement.

NOW THEREFORE, the parties agree:

1. Whenever used in this Agreement, the following words shall have the following meanings:

"Contributions" – means the amount calculated pursuant to Appendix A to be paid by the Transferring Fund to the Home Fund. For greater certainty, Contributions, with respect to remittances under the collective agreement between the Boilermaker Contractors' Association and the International Brotherhood of Boilermakers, does not include the Special Funding Contribution to the Boilermakers' National Pension Plan (Canada) (the "National Plan").

"Special Funding Contribution" means the additional amount payable to the National Plan provided for under the collective agreement between the Boilermaker Contractors' Association and the International Brotherhood of Boilermakers effective February 1, 2010.

"Temporary Member" - An employee employed temporarily outside the trade and/or geographical jurisdiction of his Home Fund which is a party to this Agreement, and within the trade and/or geographical jurisdiction of any other Trust Fund which is a party to this Agreement.

"Trust Fund" – A pension fund which is a party to this Agreement and which receives Contributions on behalf of Temporary Members and which is established for the purpose of providing a plan of pension benefits.

"Home Fund" - A Temporary Member's Home Fund shall be the Trust Fund which is within the trade and geographical jurisdiction of the local union to which the Temporary Member belongs.

"Transferring Fund" - The Trust Fund receiving Contributions on behalf of a Temporary Member and which forwards Contributions to the other Trust Fund pursuant to this Agreement.

2. Each Trust Fund party to this Agreement shall collect and receive the Contributions due in respect of the Temporary Member and shall keep separate records of those Contributions.

3. No party shall be liable to any other party for any sums whatsoever except to the extent of Contributions that are in fact received. Each party shall bear all expenses of collection, administration or accounting which it shall incur in respect of this Agreement. Each party may charge, and deduct from the gross amount of Contributions subject to transfer in respect of the Temporary Member, a reasonable administration fee not to exceed 2% of the gross amount of Contributions collected in respect of the Temporary Member. Each party may also deduct, from any amount transferred, any amount required to be deducted in accordance with any government's rules and regulations, including but not limited to taxes.

4. Each Trust Fund party to this Agreement shall provide an accounting of the Contributions received by it in respect of each Temporary Member and such accounting shall be due within 30 days of the date the Contributions were received on account of the Temporary Member.

Unless otherwise agreed, remittances to the Home Fund of the Contributions received on account of the Temporary Member will be made within 30 days after the end of the calendar month during which the Contributions were received. In the event this Agreement is terminated, a final accounting of Contributions will be provided within 90 days of the date of termination of the Agreement.

5. This Agreement requires that, if the Temporary Member is a member of the pension plan provided by the Trust Fund of the Home Fund, or will reasonably become a member of the pension plan of the Home Fund, the remittance of Contributions received by the Transferring Fund must be remitted to the Home Fund. No Temporary Member has the right to request that the Transferring Fund retain any monies remitted to the Transferring Fund. The Temporary Member may not request that membership in the pension plan of the Transferring Fund be commenced.

6. The Home Fund is required to give the Transferring Fund written notice, within 30 days of the date the Temporary Member commences employment in the jurisdiction of the Transferring Fund, and such notice shall include the following information about each Temporary Member:

- a) Name
- b) Social Insurance Number
- c) Date of Birth
- d) Mailing Address including Postal Code.

7. The Transferring Fund shall, at the time of making any remittance to the Home Fund, provide the Home Fund with a written report which shall include the following information as to each Temporary Member:

- a. Name
- b. Social Insurance Number
- c. Number of hours worked during each month included in the remittance
- d. Total Contributions received during the period covered by the remittance.

8. All payments forwarded pursuant to this Agreement to the Home Fund of the Temporary Member shall be deemed Contributions to the Home Fund and shall be applied in accordance with the plan of the Home Fund. The Transferring Fund receiving the Contributions on behalf of Temporary Members shall only act as a conduit for the transfer of said Contributions to the Temporary Members' Home Fund.

9. Neither the Trustees, nor the Transferring Fund, shall have any responsibility for the application of the payments by the Home Fund.

10. All information provided and received in connection of a Transferring Member shall be protected pursuant to the relevant privacy legislation.

11. Contributions erroneously paid to the Home Fund on behalf of a Temporary Member or a person believed to be a Temporary Member shall be returned by the Home Fund to the Transferring Fund when such erroneous payments are discovered.

12. The terms of this Agreement apply to any Contributions that are paid from the Transferring Fund to the Home Fund in respect of Contributions earned on or after February 1, 2010, regardless of when the Transferring Fund received the Contributions. Nothing herein shall be interpreted as requiring either Trust Fund party to transfer to the other any pension credits or years of service or Contributions which were accrued or received prior to the effective date of this Agreement.

13. Either Trust Fund party to this Agreement may, as a condition of its payment of any monies pursuant to this Agreement, require each Temporary Member for whom Contributions are to be transferred to execute an authorization, the content of which shall be within the sole discretion of the party requiring it.

14. Anything herein to the contrary notwithstanding no person, other than the parties to this Agreement, shall have any rights under this Agreement or shall be entitled to bring any action or proceeding against any party to this Agreement on account of this Agreement, or shall be deemed to be a third-party beneficiary hereof or a real party in

interest.

15. The trustees of any Trust Fund party to this Agreement shall not be liable for any acts of the trustees of any other Trust Fund party to this Agreement nor shall any trustee be personally liable for any action taken pursuant to this Agreement except to the extent liability is imposed by any government legislation.

16. The transfer of Contributions from the Transferring Fund to the Home Fund on behalf of a Temporary Member shall constitute a complete waiver and release of all claims against the Transferring Fund by the Temporary Member for purposes of participation in the benefits of the Transferring Fund.

17. Each Trust Fund party to this Agreement is responsible for making the necessary filings under the pension or other legislation governing its pension plan. This includes filing of this Agreement with the governing pension regulator.

18. This Agreement may be modified or amended at any time by an instrument in writing executed by the parties to this Agreement. Any party to this Agreement may, at any time, terminate its participation in this Agreement by giving to the other party to this Agreement written notice of termination. Termination shall take place no earlier than 90 days from the date of the written notice unless both parties to this Agreement agree on an earlier date of termination.

19. In the event the Agreement is terminated, or amended, the parties to this Agreement are responsible for making their best efforts to notify the Temporary Members for whom Contributions are currently being received by the Transferring Fund.

20. In the event the Agreement is terminated, or amended, the parties to this Agreement are responsible for making their best efforts to notify Temporary Members who would otherwise be covered under this Agreement, information about the amendment or termination of this Agreement.

21. This Agreement shall come into force and effect upon the **first day of February, 2010** irrespective of whether this Agreement has been executed before the effective date or after the effective date of this Agreement. Notwithstanding the effective date of this Agreement as set forth in the immediately preceding sentence, the parties to this Agreement agree that this Agreement shall be of no force or effect unless:

- (a) The parties have executed this Agreement in accordance with the respective trust agreements which govern the parties;
- (b) The parties have received and made, as the case may be, any and all necessary filings or obtained such approvals from government bodies and

authorities as may be necessary; and

- (c) The parties have taken such further and other steps as may be required in order to bring this Agreement into full force and effect.

22. Any notice which is required by this Agreement shall be in writing and shall be deemed to have been received upon the date of delivery if delivered personally or upon the seventh (7th) day after mailing if mailed by registered mail, postage prepaid, and if at the time of mailing and for seven (7) days thereafter there is no interruption or delay in normal postal service. Any of the parties to this Agreement may change their address upon giving twenty-one (21) days' prior written notice made in the manner set forth above.

23. The parties to this Agreement shall, upon written request by one of the parties to this Agreement, provide to the other party a copy of:

- (a) The relevant portions of the trust agreement governing the trust fund and all amendments thereto;
- (b) The details of the pension plan's benefits including the eligibility rules and regulations; and
- (c) Any necessary filings or approvals from government bodies and authorities only insofar as they are pertinent to this Agreement.

24. In the event of a dispute, this Agreement shall be governed by, and construed in accordance with, the laws of the jurisdiction which is most closely connected with the matter that is in dispute, and the parties to this Agreement attorn to the jurisdiction of the Courts of competent jurisdiction of that province.

25. In the event that any of the provisions in this Agreement shall be invalid or unenforceable, this shall in no manner affect or impair the validity or the enforceability of the other provisions of this Agreement. Such other provisions shall remain in full force and effect as though such invalid or unenforceable provisions had not been included in or made a part of this Agreement.

26. Neither party shall be liable for any of the debts, expenses nor other obligations of the other party except such as are specifically set forth and contained in this Agreement.

27. This Agreement is the entire Agreement between the parties and there are no other agreements whether collateral or otherwise relating to the matters set forth in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers and other persons duly authorized this 17 day of Sept, 2010.

SIGNED IN THE PRESENCE OF:

**BOILERMAKERS' NATIONAL
PENSION FUND (CANADA)
CANADA REVENUE AGENCY
REGISTRATION NUMBER 0366708
ALBERTA FINANCE AND ENTERPRISE
REGISTRATION NUMBER 46433**

Witness

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CANADA REVENUE AGENCY
REGISTRATION NUMBER 0542928
BRITISH COLUMBIA REGISTRATION
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**APPENDIX A
TO THE RECIPROCITY AGREEMENT
BETWEEN
THE TRUSTEES OF THE BOILERMAKERS' NATIONAL
PENSION FUND (CANADA)
CANADA REVENUE AGENCY NUMBER 0366708
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- and -

<p>THE TRUSTEES OF THE BOILERMAKERS PENSION TRUST FUND CANADA REVENUE AGENCY NUMBER 0542928 BRITISH COLUMBIA REGISTRATION NUMBER P085447-1</p>

1. Where the Boilermakers National Pension Plan (Canada) is the Transferring Fund, the Contribution which shall be paid to the Home Fund, effective February 1, 2010 shall be:

A percentage equal to the solvency ratio of the Boilermakers' National Pension Plan (Canada), as determined by its Trustees from time to time, multiplied by the Pension Plan contribution rate in effect in the jurisdiction in which the Temporary Member was employed and as set out in the Wage and Benefit Schedule in the Collective Agreement for the period ended December 31, 2009. Such percentage will be determined by the Trustees of the Boilermakers' National Pension Plan (Canada) at least annually, and may be changed upon notice to the Home Fund, including the effective date of such change, from time to time.

Effective February 1, 2010, the applicable percentage will be 47% until changed by notice in accordance with the preceding paragraph. The Wage and Benefit Schedule relevant to this Agreement may be accessed on the Plan Web Site at www.boilermakersbenefits.ca, Reciprocal Agreements, Wage and Benefit Schedules.

2. Where the Boilermakers' Pension Plan (Local 359) is the Transferring Fund, the Contributions which shall be paid to the Home Fund, effective February 1, 2010 shall be the amount determined by the formula $A \times B$ where

A = the lesser of (i) the contribution rate set out in the collective agreement in effect in the jurisdiction in which the Temporary Member was employed and (ii) the normal cost, each as determined by the Trustees of Boilermakers' Pension Plan (Local 359) in good faith and in accordance with the most recent actuarial valuation of that Plan

B = the least of 1, the solvency ratio and the going concern ratio for the Boilermakers' Pension Plan (Local 359) as determined by the Trustees of that Plan in accordance with the most recent actuarial valuation.

Effective February 1, 2010 and until changed by notice to the Boilermakers' National Pension Plan (Canada) in accordance with the terms of this Agreement, the value of A is \$5.19 and the value of B is .79.